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Arizona Corporation Commission

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BEFORE THE ARIZONA CORPORATION COMMISSION

JAN 17 1997

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DOCUMENT CONTROL

IN THE MATTER OF THE COMPETITION
IN THE PROVISION OF ELECTRIC
SERVICES THROUGHOUT THE STATE OF
ARIZONA

NORDIC POWER'S RESPONSE
TO TUCSON ELECTRIC POWER
COMPANY'S, ARIZONA
PUBLIC SERVICE COMPANY'S
AND TRICO ELECTRIC
COOPERATIVE, INC.'S
APPLICATIONS FOR
REHEARING/RECONSIDERATION

Nordic Power opposes the applications for rehearing/reconsideration filed by Tucson Electric Power Company (TEP), Arizona Public Service Company (APS), and TRICO Electric Cooperative, Inc. (TRICO). The Commission, its staff, the various industries, and the public have invested considerable time and cost in developing this reasonable framework. The Rules on Retail Electric Competition ("the Rules") provide for workshops to resolve any issues which may arise in the future. Of course, this Commission may later hold hearings on specific issues which might be properly framed after the Affected Utilities provide their unbundled rates, data on stranded costs, and other factual bases for their concerns. Nordic Power vigorously opposes the granting of any rehearing/reconsideration application because it will only delay electric competition in Arizona. As a result, Arizona customers will incur substantially higher power costs during the interim and be placed at an economic disadvantage, while the rest of the country pursues more efficient electrical service.

The Request for Stay by TEP and TRICO, and any others, should also be denied. Filing of rehearing applications should not preclude enforcement of the Rules during the interim, nor may a court suspend the Rules pending an appeal, if any. *See A.R.S. §§ 40-253.D. and 40-254.01.F.*

TEP, APS and TRICO admit that their applications for rehearing/reconsideration do not contain any new facts, arguments, or other information. The applications merely reiterate the

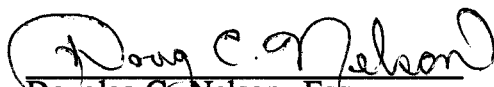
1 positions TEP, APS and TRICO assumed during the course of the drafting of these Rules, and
2 their comments were already taken into consideration in preparing these Rules. Despite the
3 compromises and tradeoffs, which occurred during the development of these Rules, TEP, APS
4 and TRICO are still attempting to extract more preferential treatment, delay the process, and
5 substantially reduce the economic benefits to all Arizona consumers.

6 The Rules provide for a logical transition to the competitive market environment. Under
7 the "buy-through" arrangement, all Arizona customers may pursue market transactions with the
8 oversight of the Commission. As the Affected Utilities release their cost information, more and
9 more customers will be able to take advantage of these economic opportunities, resulting in
10 lower business costs, greater employment, more disposable personal income, and a stronger
11 overall competitive economy.

12 In closing, Nordic Power urges that these and any other applications for
13 rehearing/reconsideration be denied and that the Commission maintain this deliberate and
14 reasonable path towards electric retail competition, as contained in the Rules.

15 RESPECTFULLY SUBMITTED this 15th day of January, 1997.

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